



**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES**

APPEAL DECISION SUMMARY

APPEAL No: 2010-2591

DATE: November 24, 2010

OUTCOME: (check one)

 X SUSTAINED REVERSED REMANDED
 INVALID/FULL
 SUSTAINED and REMANDED
 REVERSED and REMANDED
 AGENCY ERROR/OTHER

ISSUE ON APPEAL: Eligibility – Timely Processing and ABD –excess resources

GENERAL RULE OF LAW: Standards for application processing and resource eligibility

1. Agencies are required by the State Plan to adhere to prescribed standards for the processing of medical assistance (Medicaid and FAMIS/FAMIS MOMS) applications. The amount of time allowed to process an application is based on the covered group under which the application must be evaluated. Medicaid Manual, Volume XIII, M0130.100, A (p. 1).
2. Applications, including requests for retroactive coverage, must be processed within 45 days for all applicants other than pregnant women; women in the BCCPTA covered group, or individuals needing a disability determination. For individuals who must receive a disability determination, the time standard is 90 days. Medicaid Manual, Volume XIII, M0130.100, B, 2 (p. 2).
3. The time standard begins with the date of receipt of a signed application and ends with the date of enrollment or the date the notification of denial of Medicaid is mailed to the applicant. The applicant must be informed of the agency's time standards. The eligibility worker must allow at least 10 days to receive the necessary verifications. If all necessary verifications are not received, the application continues to pend until the 45-day processing time limit is reached. Medicaid Manual, Volume XIII, M0130.100, B, 2 (p. 2).
4. Each application must be disposed of by a finding of eligibility or ineligibility as supported by the facts in the case record, unless the application is withdrawn or terminated. Medicaid Manual, M0130.300, D, 1 (p. 9).
5. The Notice of Action on Medicaid and Family Access to Medical Insurance Security Plan (FAMIS) Programs (NOA), form #032-03-008 must be used to notify the applicant when:

- the application has been approved, including the effective date(s) of his Medicaid coverage;
- the retroactive Medicaid coverage was approved, including the effective dates;
- the application has been denied, including the specific reason(s) for denial cited from policy;
- retroactive Medicaid coverage was denied, including the specific reason(s) for denial cited from policy;
- there is a reason for delay in processing his application;
- a request for re-evaluation of an application in spenddown status has been completed; and
- a child has been approved or denied (including the specific reason for denial cited from policy) for FAMIS (see M21).

A copy of the notice must also be mailed to the individual who has applied on behalf of the applicant. Medicaid Manual, Volume XIII, M0130.300, D, 3 (p. 10).

Excess Resources

6. United States Code, 42 U.S.C. § 1396a(a)(17)(B) requires a state plan for medical assistance to include:

reasonable standards . . . for determining eligibility for and the extent of medical assistance under the plan which . . . (B) provide for taking into account only such income and resources as are . . . available to the applicant or recipient.

7. The State plan must specify that . . . in determining financial eligibility of individuals, the agency will apply the cash assistance financial methodologies and requirements, unless the agency chooses to apply less restrictive allowable income and resource methodologies. If the agency chooses to apply less restrictive income and resource methodologies, the State plan must specify the less restrictive methodologies that will be used, and the eligibility groups to which the less restrictive methodologies will be applied. Code of Federal Regulations, 42 CFR §435.601, (f).
8. As a program based on need, Medicaid uses the value of a person's countable resources as one of two financial criteria in determining eligibility. The other criterion is income. Medicaid Manual, Volume XIII, M1110.001, A (p. 1).
9. Resources are cash and any other personal or real property that an individual owns, or has the power to convert to cash and is not legally restricted from using for his support and maintenance. Medicaid Manual, Volume XIII, S1110.100, B, 1, (p. 3).
10. The eligibility worker must verify the value of all countable, non-excluded resources. Medicaid Manual, Volume XIII, M0130.300, H (p. 8).
11. A life insurance policy owned by the individual is a resource if it generates a cash surrender value (CSV). Its value as a resource is the amount of the CSV. Medicaid Manual, Volume XIII, M1130.300, B, 1 (p. 20).

12. The value of any asset that meets the definition of a resource counts against the applicable resource limit, unless otherwise excluded. Medicaid Manual, Volume XIII, S1110.200 (p. 6).
13. The resource limit for one people in the Categorically Needy, Categorically Needy Non-Money Payment, and Medically Needy covered groups is \$2,000. The resource limit for MI covered groups for one person is \$6,600. Medicaid Manual, Volume XIII, M1110.003, B, 2, (p. 2).
14. An individual with countable resources in excess of the applicable limits is not eligible for Medicaid. Medicaid Manual, Volume XIII, M1110.003, B, 1 (p. 2).

AGENCY DECISION: The hearing officer found that the DSS failed to process the Appellant's application within the established time frame. But the application had been processed at the time of the hearing. Therefore, there was no further remedy. The hearing officer found in favor of the agency, based upon the following:

The Appellant applied for Medicaid coverage. The agency verified the resources, and determined that the Appellant's resources exceeded the Medicaid resource limit. Therefore, the local agency denied Medicaid coverage.

APPLICABLE CITATIONS FOR ACTION:

42 U.S.C. §1396a (a)(17)(B)

Code of Federal Regulations

42 CFR §435.601, (f)

Medicaid Manual, Volume XIII

M0130.100, A (p. 1)

M0130.100, B, 2 (p. 2)

M0130.200, H (p. 8)

M0130.300, D, 1 (p. 9)

M0130.300, D, 3 (p. 10)

M1110.001, A (p. 1)

M1110.003, B, 1, 2, (p. 2)

S1110.100, B, 1, (p. 3)

S1110.200 (p. 6)

M1130.300, B, 1 (p. 20)